

The President's Daily Brief

30 June 1971

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PRINCIPAL DEVELOPMENTS

The death of the Soyuz ll crew during the recovery operation last night is a serious blow to the Soviet manned space program. ($Page\ 1$)

An account of Sadat's views on conditions for an interim settlement with Israel is given on $Page\ 2$.

Reports that the Cambodian Government is seeking to negotiate a cease-fire with the Communists are circulating in Phnom Penh. (Page 3)

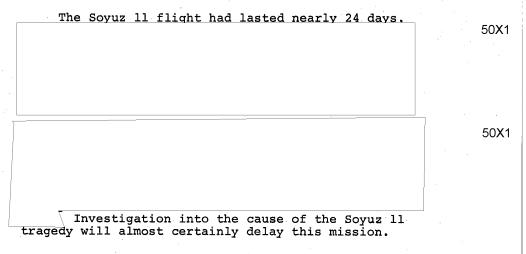
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/USSR-Israel (Page	4)	
Malta's new prime minister is sai large sums of money during the el	ection campaign	
from the Libyan Government. (Pag	e 5)	
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FOR THE PRESIDENT ONLY

USSR

TASS announced early this morning that the crew of Soyuz 11 died in their spacecraft during the recovery operation conducted late last night.

The TASS statement indicates that the deorbit had proceeded normally and that the spacecraft made a successful soft landing, but that the helicopter-borne recovery crew found the cosmonauts dead in the capsule on opening the hatch. The Soviet announcement states that the cause of the cosmonauts' death is being investigated.



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EGYPT

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Ambassador Thacher describes
Egyptian President Sadat's views on conditions
for an interim settlement with Israel.

The salient points made by Sadat for Ambassador Thacher are as follows:

--Sadat urgently desires to break the impasse in the search for a means to reopen the Suez Canal. In the absence of such progress, he is anxious to join with the US in an effort to find "pretexts" for extending the cease-fire. He is particularly intent on being able to present to the Egyptian people some "favorable development" on or before the 19th anniversary of the Egyptian revolution on 23 July.

--Sadat emphasizes his willingness to negotiate the matter of what specific arms would accompany Egyptian forces to be stationed in the areas of the Sinai evacuated by the Israelis. A US or UN supervisory unit could inspect Egyptian forces on the East Bank provided such a function were to be kept from public view. Sadat, moreover, solicits proposals from the US to deal with the "difficult" question of Egyptians crossing the canal.

--He pledges that an interim settlement for reopening the canal would clear the way for a reduction in the Soviet military presence in Egypt as well as a restoration of diplomatic relations with the US.

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Sadat may have felt the need, in view of the pessimistic statements from Egyptian spokesmen in the past two weeks, to reaffirm privately his determination to continue exploring ways of reaching an accommodation with the Israelis and to keep open his private lines to the US.

CAMBODIA

Truong Cang, the former Cambodian ambassador to Peking, is now in Paris mak-50X1 ing overtures to the North Vietnamese for a ceasefire. Former prime minister Son Sann is to go to Moscow to probe the Soviet position. Son Sann was sent to Paris last year to establish unofficial contacts with some of Sihanouk's supporters. In return for a cease-fire, the Cambodians, 50X1 will offer to allow North Vietnam-50X1 ese forces to occupy two northeast provinces until the Vietnam war ends. They will also request the withdrawal of all South Vietnamese troops from Cam-50X1 bodia. Another version of this "deal" 50X1 the North Vietnamese have demanded 50X1 the use of five northeast provinces and, in addition to a South Vietnamese withdrawal, the cessation of US "intervention" in Cambodia. These reports are consistent with earlier evidence that both Lon Nol and Sirik Matak have been considering the possibility of opening channels of communication to the Communists. Their interest in doing so apparently was sparked in part by recent developments in Sino-US relations, which they evidently believed could improve the chances for a negotiated settlement in Indochina. 50X1 If intent upon serious negotiations, the government would be

negotiations, the government would be likely to take considerable pains to keep them under wraps and avoid discussing them with officials who probably would not be involved. The government may

be deliberately floating these stories in hopes of extracting greater support from both Washington and Saigon.

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MALTA-LIBYA

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during Malta Labor Party leader Mintoff's visit to Tripoli in February Libya's ruling Revolutionary Command Council gave Mintoff about \$1 million for his campaign expenses.

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Qadhafi has promised a large interest-free loan and an annual subsidy of about \$5 million to a new Labor government. Since the Maltese elections, Tripoli and Valletta have begun talks aimed at strengthening relations, and Qadhafi is to meet with an "important Maltese representative" at a later date.

Mintoff's desire to promote better relations with Arab states of the Mediterranean is well known, and during the campaign the Labor Party expressed its willingness to sign an economic agreement with Libya.

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Libyan Government is talking about a plan to damage US, UK, and West German interests in the Arab world. Tripoli hopes to work through the Labor government to remove the British military presence on Malta. The new Libyan ambassador to Valletta has been given oral instructions to determine how much aid it will take "to guarantee that the Maltese will expel the British from their base,"

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Mintoff's response to these overtures from Libya--which with its huge oil revenues it can well afford--will depend largely on the success of his renegotiation of the defense and financial agreements with the UK. The agreements, which expire in 1974, provide for \$143.5 million in aid, of which \$55 million remain to be used. Mintoff believes that a satisfactory settlement with the British ultimately can be reached, and under such circumstances it is unlikely that he would allow himself to become a tool of the Libyans. He is likely, however, to assert his new-found authority in ways that will be troublesome to the interests of the US and its allies.

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